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LM02/0928  
Fay Sharpe Beall Fagan Minnich & McKee  
104 East Hume Avenue  
Alexandria VA 22301

EXAMINER
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NGUYEN, C

ART UNIT	PAPER NUMBER
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2764

DATE MAILED:

09/28/00

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

# Office Action Summary

Application No.  
09/506,808

Applicant(s)

Mori et al.

Examiner

Cuong H. Nguyen

Group Art Unit

2764



☒ Responsive to communication(s) filed on Jun 15, 2000

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 35 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

## Disposition of Claim

☒ Claim(s) 1-33 is/are pending in the application.

Of the above, claim(s) 1-15 is/are withdrawn from consideration.

☐ Claim(s) \_\_\_\_\_ is/are allowed.

☒ Claim(s) 16-33 is/are rejected.

☐ Claim(s) \_\_\_\_\_ is/are objected to.

☐ Claims \_\_\_\_\_ are subject to restriction or election requirement.

## Application Papers

☒ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some\* ☒ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

☒ Notice of References Cited, PTO-892

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 4

☐ Interview Summary, PTO-413

☒ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

— SEE OFFICE ACTION ON THE FOLLOWING PAGES —

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#### DETAILED ACTION

1. This Office Action is the answer to the pre-amendment and the IDS received on 6/15/2000; which papers have been placed of record.
2. Claims 1-33 are pending in this application. Claims 1-15 have been canceled.

#### *Drawings*

3. This application has been filed with informal drawings which are acceptable for examination purposes only. Formal drawings will be required when the application is allowed.

The following rejections are based on the examiner's broadest reasonable interpretation of the claims, *in re Pearson*, 181 USPQ 641 (CCPA 1974).

#### *Claim Objection*

4. Claim 32 is objected because there is a typographical error in this claim; "assmues" should be --assumes--.

#### *Claim Rejections - 35 USC § 112*

- 5.A. Claims 16, 24, 33 are rejected under 35 U.S.C. 112, 2nd paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. These methods/apparatus require computers to be involved (in the process) because, at least,

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steps/means of: providing information, collecting price via the network .etc. must utilize computers having CPUs, memories, I/O devices.

5.B. The remaining claims (17-23, 25-31) are rejected for incorporating such defect from their respective parent claims by dependencies (claims 16, and 24).

5.C. Claims 29-31 are rejected under 35 U.S.C. 112, 2nd paragraph since they are apparatus claims; they should not be dependent of claim 23 which is a method claim.

***Claim Rejections - 35 USC § 103***

6. Claims 16-33 are rejected under 35 U.S.C. § 103 as being unpatentable over Fujisaki (US Pat. 4,789,928), in view of Chavez et al. (XP-002099613).

A. Referring to claim 16: The claim is directed to a method for performing an auction, Fujisaki obviously shows a similar method with a host terminal connected to a plurality of bidder terminals via a network, comprising:

- a storage device to collect prices and a highest possible range/(maximum margin)to pay for a product from bidders (see Chavez et al.'s article pp.6, 9 (e.g. pg.9 para.2-3); see also Fujisaki '928 2:5-20);

- a processor, connected to said storage device, executing following steps according to a software program (not disclosed) (Fujisaki '928 1:62 to 2:28, see also see **Chavez et al.**'s article):

providing information on a product to be auctioned via a network (see Fujisaki '928 Fig.12, 1:62 to 2:39, see also Chavez et al. Pg.6, 2nd paragraph);

Fujisaki ('928) fails to teach about a proposed maximum margin from bidders in an auction process.

However, Chavez et al.'s article suggests that limitation; they obviously suggest steps of:

collecting a price for the product (obvious in **Fujisaki's** patent), and a highest possible price/(a maximum margin) of the price acceptable to pay proposed by each bidder via the network (see **Chavez et al.**'s article pp.4, 7, 9-10); and

if the price proposed by one bidder equals to another bidder, selecting the highest possible price/(the maximum margins) of the bidders (see **Chavez et al.**'s article pp. 1-3, 9, 10-11 about "the best possible price/deal" ; see also Fisher et al. (US Pat. 5,835,896) 12:62 to 13:24; Ausubel (US Pat. 6,026,383) 9:49-65).

The examiner submits that one of ordinary skills in the art at the time of the invention would have found these claim's

limitations very obvious with inherent steps as suggested by cited prior art; prior art's limitations are not necessary spelled-out exactly claimed languages, because these prior arts are also directed to a similar process for obtaining the highest possible price/deal in an auction process. These prior art are not limited to the described embodiments in their inventions. It is reasonable that various modifications and variations of the described method and system of the cited prior art would be apparent to those skilled in the art without departing from the scope and spirit of the invention. Although these inventions have been described in connection with specific preferred embodiments, it should be understood that the inventions as claimed should not be unduly limited to such specific embodiments.

It would have been obvious to one of ordinary skill in the art at the time of invention to combine Fujisaki's invention with Chavez et al. 's suggestion, because these information are readily available at that time, and they would provide a negotiation between buyers and seller, between bidders with selling agents an autonomous negotiate and make the "best possible deal" on the user behalf.

B. Referring to claims 24, 32, 33: The limitations of these claims obviously recite the same claim's limitations as claim 16 above. The same analysis and reasoning set forth in the

rejection of claim 16 applied to this claim because they obviously cover means/apparatus/program codes using to perform similar claimed functions/tasks that described in claim 16.

D. Referring to claim 17:

The rationales for rejection for claim 16 are incorporated herein.

Chavez et al. obviously show a step of selecting a bidder with a highest possible price/(largest maximum margin) (see **Chavez et al.'s article**); moreover, the means/(computer instructions) for performing above tasks clearly are not a novel/inventive concept to one with skills in the art.

F. Referring to claim 25: The limitations of this claim recite the same claim's limitations as claim 17 above. The same analysis and reasoning set forth in the rejection of claim 17 applied to this claim because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 17.

G. F. Referring to claim 18: Claim 18 is directed to an auction method wherein a maximum margin is a difference between a price acceptable to pay and a desired price.

The rationales for rejection for claim 17 are incorporated herein.

The examiner submits that claim 17 's limitation already including claim 18 's meaning. Moreover, the further explanation of claim 18 clearly are not a novel/inventive concept to one with skills in the art.

H. Referring to claim 26: The limitations of this claim recite the same claim's limitations as claim 18 above. The same analysis and reasoning set forth in the rejection of claim 18 applied to this claim because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 18.

I.F. Referring to claim 19: Claim 19 is directed to an auction method having a step of collecting information of a product (e.g. bidding prices).

The rationales for rejection for claim 16 are incorporated herein.

The examiner submits that claim 16 's limitation already including claim 19 's limitation (underlined). Moreover, the further explanation of claim 19 clearly are not a novel/inventive concept to one with skills in the art.

J. Referring to claim 27: The limitations of this claim recite the same claim's limitations as claim 19 above. The same analysis and reasoning set forth in the rejection of claim 19 applied to this claim because it covers an apparatus for obviously



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performing an auction having bidders on a network with means to perform exactly steps of claim 19.

D. Referring to claim 20: Claim 20 is directed to an auction method wherein a resolving step resolves a bidding based on received prices.

The rationales for rejection for claim 12 are incorporated herein.

The examiner submits that claim 19 's limitations obviously include claim 20 's limitations. Moreover, the further explanation of claim 20 clearly are not a novel/inventive concept to one with skills in the art.

F. Referring to claim 28: The limitations of this claim recite the same claim's limitations as claim 20 above. The same analysis and reasoning set forth in the rejection of claim 20 applied to this claim because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 20.

D. Referring to claim 21: Claim 21 is directed to an auction method having a step of continuing an auction after a bidding decision.

The rationales for rejection for claim 16 are incorporated herein.

The examiner submits that this limitation is obvious in Fujisaki (see '928 Figs. 12 and 21; see also Ausubel (US Pat. 6,026,383) 3:1-16 and 9:36-40). Moreover, this step of claim 21 clearly is not a novel/inventive concept to one with skills in the art (i.e. CPU are automatically reset by a software program to start another cycle of bidding e.g. for another product/step).

F. Referring to claim 29: Assuming this claim is dependent to claim 24. The limitations of this claim recite the same claim's limitations as claim 21 above. The same analysis and reasoning set forth in the rejection of claim 21 applied to this claim because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 21.

D. Referring to claim 22: Claim 22 is directed to an auction method wherein a collection step is performed before an auction starts.

The rationales for rejection for claim 16 are incorporated herein.

The examiner submits that claim 's limitation is really a designer 's choice; a software program could be written to control CPUs to collect bidding prices before or during an auction. Moreover, this limitation clearly is not a

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novel/inventive concept's limitation to one with skills in the art.

F. Referring to claim 30: Assuming this claim is dependent to claim 24. The limitations of this claim recite the same claim's limitations as claim 22 above. The same analysis and reasoning set forth in the rejection of claim 22 applied to this claim because it covers an apparatus for obviously performing an auction having bidders on a network with means to perform exactly steps of claim 22.

D. Referring to claim 23: Claim 23 is directed to an auction method comprising a step of determining a successful bidder with a highest proposed price.

The rationales for rejection for claim 16 are incorporated herein.

The examiner submits that claim 17 's limitation already including claim 23 's limitation. Moreover, this limitation of claim 23 clearly is not a novel/inventive concept to one with skills in the art.

F. Referring to claim 31: Assuming this claim is dependent to claim 24. The limitations of this claim recite the same claim's limitations as claim 23 above. The same analysis and reasoning set forth in the rejection of claim 23 applied to this claim because it covers an apparatus for obviously performing an

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auction having bidders on a network with means to perform exactly steps of claim 23.

### *Conclusion*

7. Claims 16-33 are rejected.

8. The following references (US. Patents & articles about are cited:

- Chavez et al., "Kasbah: an agent marketplace for buying and selling goods", from the web of asc/pattie@media.mit.edu, posted on April 1996.
- Rockoff et al., Design of an Internet-based system for remote Dutch auctions, from Internet Research: Electronic Networking Applications and Policy, vol.5 no.4, posted date: 1995, pp.10-16.
- Lee, Electronic brokerage and electronic auction: the impact of IT on market structures, Proceedings of the 29th Annual Hawaii International Conference on System Sciences, 1996-IEEE, pp.397-406, posted date: 3/01/996.
- Feldman et al., Auctions: theory and applications, from International Monetary Fund Staff Papers, v40n3, pp: 458-511, posted Sept. 1993.
- Fujisaki (US Pat. 4,789,928), filed on 1/30/1987, about an auction information processing method and system.
- Nymeyer (US Pat. 3,581,072), filed on 3/28/1968, about an auction market computation system; wherein a margin number is

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used as a margin provision for price increment (see 12:18-26, 25:32-39; 26:15-27, 27:16-19, 28:6-43).

- Fisher et al. (US Pat. 5,835,896), filed on 3/29/1996, about a method and a system for processing and transmitting electronic auction information; wherein a "Proxy Bidding" feature is utilized, this is similar to the applicants' claim for "maximum margin bidding".

- Ausubel (US Pat. 6,026,383), filed on 1/04/1996, about a system and a method for an efficient dynamic auction for multiple objects.

- Woolston (US Pat. 5,845,265), filed on 11/07/1995, about consignment nodes, wherein this invention discloses an electronic market maker for collectable and used goods, a means for electronic presentment of goods for sale.

9. Remarks:

A. About automating a manual activity (e.g. claims 21, 29):

The court held that providing an automatic means to replace a manual activity which accomplished the same result is not sufficient to distinguish over the prior art; the act of using Internet to quote insurance and providing agent's information have been done manually for a long time. in re Venner, 262 F.2d 91, 120 USPQ 193, 194 (CCPA 1958).

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B. About Method-of-Use claims: When considering a method-of-use claim(steps for operating a specific structural assembly), patentable weight is given to the structure on which the claimed process is carried out in determining the obviousness of that process; *In re Kuehl*, 177 USPQ 250 (CCPA 1973); and

C. About structural limitations in method claims:

To be entitled to weight in method claims, the recited structure limitations therein must affect the method in a manipulative sense, and not to amount to the mere claiming of a use of a particular structure, *ex parte Pfeiffer*, 1962 C.D. 408 (1961).

D. About a basis for claiming criticality (applying to claims 21-24):

It is an established principle of law that a limitation merely with respect to proportions in a composition of matter or process will not support patentability unless such limitation is "critical". (e.g. , *Minerals Separation, Ltd. v. Hyde*, 242 U.S. 261 (1916)).

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Cuong H. Nguyen, whose telephone number is (703)305-4553. The examiner can be reached on Mon.-Fri. from 7AM-4:30 PM.

